

Roadmap for the Vision

Based on our mission, the Kuraray Group formulated the “Kuraray Vision 2026” long-term vision and the Sustainability Long-Term Vision, and we are implementing our Medium-Term Management Plan “PASSION 2026” to realize their aims.

As we seek further growth for the Group in 2026, we are also engaging in dialogue to define what we want to look like in our long-term vision for the next generation.

 Medium-Term Management Plan

Measures and Results of Past Management Plans

Previous Medium-Term Management Plan “PROUD 2020”

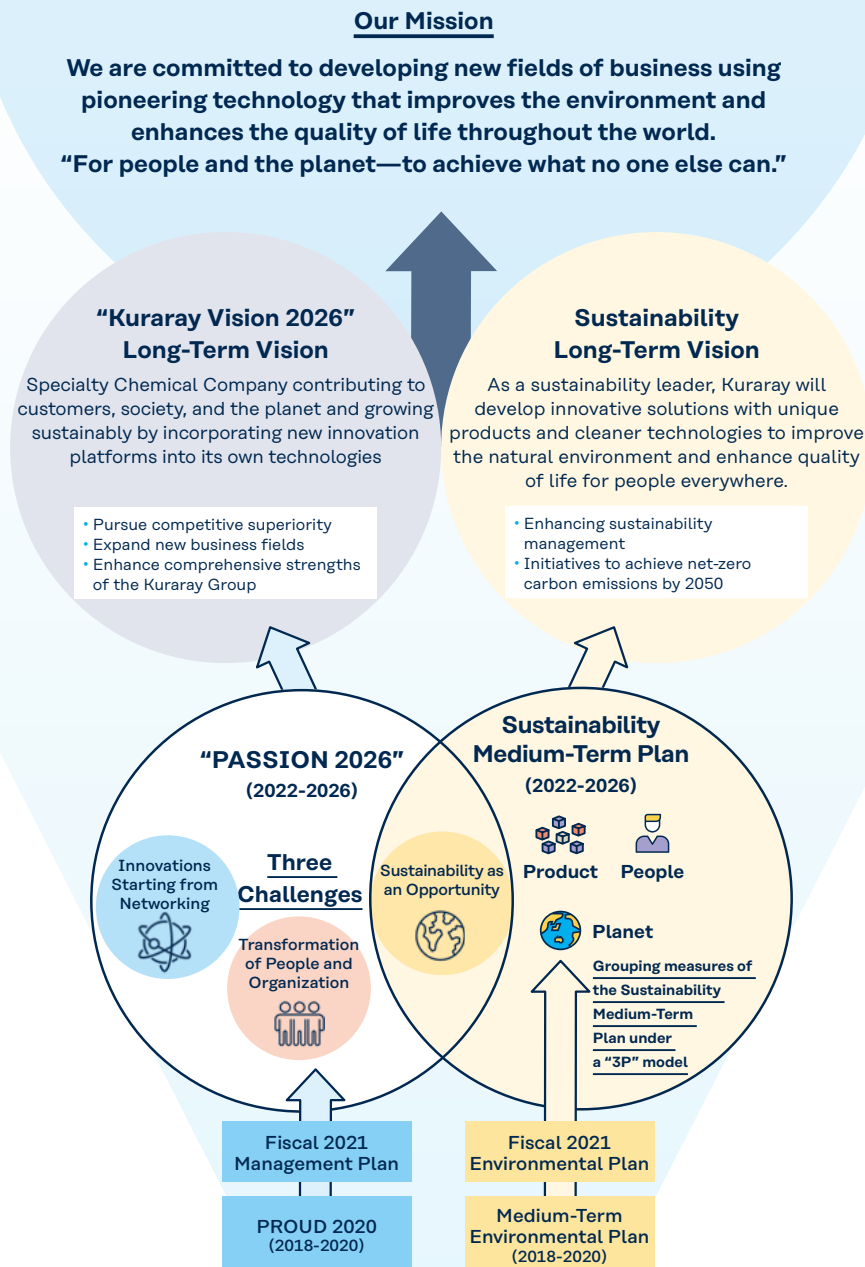
(2018–2020)

- **Pursue competitive superiority**
 - Acquired Calgon Carbon Corporation in the United States. Decided to expand production facilities for virgin activated carbon (United States) and reactivated carbon (Belgium)
 - Decided to invest in a new plant in Thailand for the isoprene business
 - Boosted production capacity for optical-use poval film (Japan), water-soluble PVOH film (United States), PVB film (South Korea), and SentryGlas™ ionoplast interlayers (Czech Republic)
- **Expand new business fields**
 - Expanded existing production capacity for VECSTAR™ liquid crystal polymer film (Japan)
 - Decided to invest in resin production facilities for PLANTIC™ biomass-derived gas barrier material (United States)
- **Enhance comprehensive strength of the Kuraray Group**
 - Generated integration synergies with the Environmental Solutions business (carbon materials)
 - Established Personnel Development Department for the purpose of reinforcing personnel development and handing down technical expertise
 - Promoted work-style reforms
- **Contribute to the environment**
 - Improved the natural environment: Expanded activated carbon business
 - Enhanced the living environment: Strengthened and expanded the EVAL business and Plantic businesses

Fiscal 2021 Management Plan*

- **Steadily implement capital investment decided in previous Medium-Term Management Plan “PROUD 2020”**
- **Expand the Environmental Solutions business (carbon materials)**
 - Further integrated operations after organizational consolidation. Steadily captured expanding demand by drawing on our ability to address environmental regulations
- **Increase production capacity of EVAL™ EVOH resin**
 - While tracking demand trends and business feasibility, explored candidate sites mainly in the Asian region
- **Promote digitalization across the entire Group**
 - Established the Global Digital Transformation (GDX) Office
- **Initiatives to create innovation**
 - Established the Innovation Networking Center

* Given uncertainties over the future of the global economy and the business environment in 2020 due to the COVID-19 outbreak, the Fiscal 2021 Management Plan was for a single year.



Roadmap for the Vision

Medium-Term Management Plan "PASSION 2026"

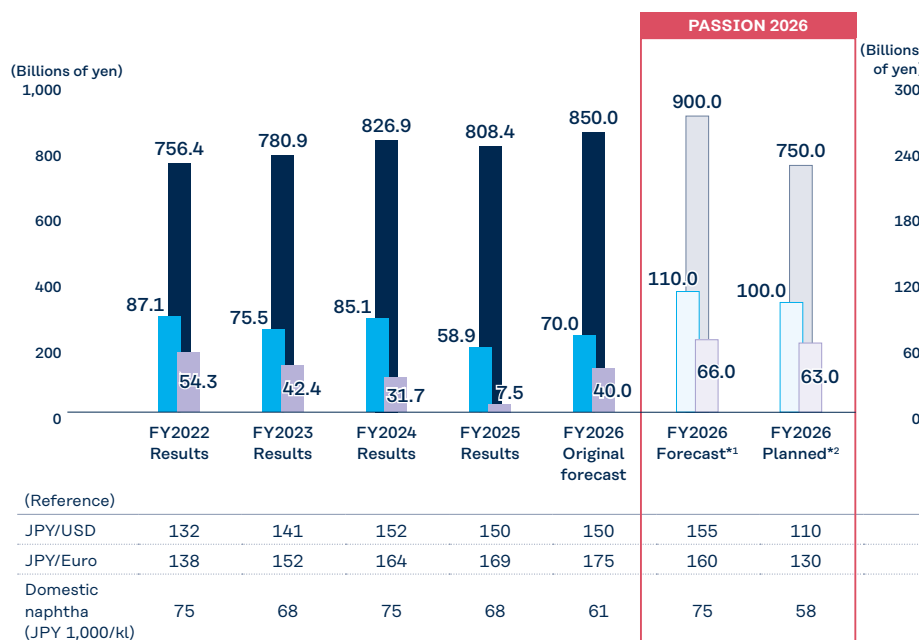
Based on our "Kuraray Vision 2026" long-term vision and Sustainability Long-Term Vision, the Kuraray Group is implementing "PASSION 2026," a five-year plan spanning fiscal 2022 to fiscal 2026. "PASSION 2026" identifies Three Challenges for the Kuraray Group in order to achieve sustainable growth in an era of unpredictability. These are: "Sustainability as an opportunity" (➤ P. 26), "Innovations starting from networking" (➤ P. 41), and "Transformation of people and organization" (➤ P. 44).

Given the current challenging economic environment, we expect our financial KPIs for fiscal 2026 to fall short of the targets set in our Medium-Term Management Plan. To improve our performance, we will enhance our business portfolio, focusing on growing businesses and expanding into new businesses.

For non-financial KPIs, we aim to obtain SBT validation in fiscal 2026, based on ambitious reduction targets for GHG emissions in Scope 1, 2, and 3 (Category 1), even as we continue to advance other initiatives.

Financial Results and Forecast during "PASSION 2026"

■ Net Sales (left axis) ■ Operating income (right axis) ■ Net income (right axis)



*1 Announced in Feb. 2025 *2 Announced in Feb. 2022

Financial KPIs

	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results	FY2026 Original forecast	PASSION 2026	
						FY2026 Forecast*1	FY2026 Planned*2
ROIC	7.0%	6.2%	7.3%	5.1%	6%	9%	8%
EBITDA (Operating income + depreciation and amortization)	¥152.6 billion	¥152.6 billion	¥170.3 billion	¥143.6 billion	¥155.0 billion	¥186.0 billion	¥170.0 billion
ROE	9.0%	6.2%	4.3%	1.0%	5%	9%	10%
EBITDA Margin (reference)	20.2%	19.5%	20.6%	17.8%	18%	21%	23%

*1 Announced in Feb. 2025 *2 Announced in Feb. 2022

Non-Financial KPIs

		Benchmark	FY2025 results	Targets	
GHG emissions Scope 1, 2 (➤ P.28)	FY2021	2,896 thousand tons-CO ₂ e	2,680 thousand tons-CO ₂ e	FY2035	63% less than FY2021 (1,072 thousand tons-CO ₂ e)
GHG emissions Scope 3 (Category 1) (➤ P.28)	FY2021	3,630 thousand tons-CO ₂ e	3,256 thousand tons-CO ₂ e	FY2035	37.5% less than FY2021 (2,269 thousand tons-CO ₂ e)
Sales ratio of products contributing to the natural and living environments (➤ P.30)	FY2020	46%	60%	FY2026	60%
Diversity of core human resources (➤ P.37)	End Sep. 2021	12%	19%	FY2030	25%
Ratio of females among new graduate hires (➤ P.37)	(FY2023 result)	34%	33%	FY2025 -FY2026	35% or more/year
		23%	24%		10% or more/year
Male employees taking childcare leave (➤ P.37)	(FY2023 result)	83%	103%	FY2026	100%
		49%	68%		90%
Global talent development (➤ P.37)	(FY2023 result)	40%	47%	FY2030	60%
Executive candidate development (➤ P.37)	(FY2023 result)	90%	170%	FY2030	200%
DX talent development program (➤ P.45)	(FY2023 result)	Gold 44 persons Silver 163 persons Bronze 5,114 persons	Gold 124 persons Silver 889 persons Bronze 6,117 persons	As our efforts to foster a culture of continuous digital learning come to completion, we plan to transition to a new and more hands-on learning program.	